



**Minutes for Meeting of
Thursday, March 8, 2012**

Item 1: Call to Order

Commission Chair Fuller called the meeting to order at 5:00 p.m.

Item 2: Roll Call

Present – Commission Chair Fuller, Vice Chair William Howatt, Commissioners Deborah Cochran, Faye Detsky-Weil, and John O'Neill

Excused – Commissioner Wetzler

Staff – Executive Director Stacey Fulhorst, General Counsel Christina Cameron, Program Manager Steve Ross, Senior Investigator Lauri Davis, and Auditor Rosalba Gomez

Item 3: Approval of Commission Minutes

Approval of Ethics Commission Minutes of February 9, 2012

Motion:	Approve
Moved/Seconded:	O'Neill/Howatt
Vote:	Carried Unanimously
Abstained:	Detsky-Weil
Excused:	Wetzler

Item 4: Non-Agenda Public Comment

None

Item 5: Commissioner Comment

None

Item 6: Executive Director Comment

Director Fulhorst reported that on February 7, 2012, the City Council approved the proposed amendments to Council Policy 000-13, which addresses the service of the City's board and commission members. As a result, the policy now provides that service of less than one-half of one term does not count toward the two-term limit.

Item 7: General Counsel Comment

None

Item 8: Presentation of Final Audit Report Regarding the Felipe Hueso for City Council 2010 Committee.

Motion:	Accept Final Audit Report
Moved/Seconded:	Detsky-Weil/Howatt
Vote:	Carried Unanimously
Excused:	Wetzler

Item 9: Discussion and Possible Action Concerning Proposed Amendments to Campaign Laws

Director Fulhorst reported that no appeals were filed in the *Thalheimer* litigation and, as a result, the ruling issued by the United States District Court on January 20, 2012, has become final and the City may now move forward with amending the Municipal Code to be consistent with the Court's ruling. In connection with these amendments, she suggested that the Commission might want to consider proposing some additional changes to ECCO as well as some relevant changes to the City's lobbying laws. In addition, she advised the Commission that members of the public will likely submit additional changes to ECCO for the Commission's consideration.

Director Fulhorst pointed out that the City has historically implemented changes to its campaign laws on January 1 of odd number years to prevent the rules from changing in the midst of an election cycle. She reminded the Commission that any proposed changes will have to be presented to the Rules Committee before the City Council, and that any Council decision will require a second reading and a 30 day waiting period before becoming effective. It will therefore be important for the Commission to finalize any package of proposed amendments by July or August. In order to stay within this short time frame, Director Fulhorst suggested that the Commission will likely have to defer some issues for consideration at a later date.

Director Fulhorst reviewed the policy recommendations included within the staff memo. With respect to attribution rules for contributions from political parties to candidates, the Commissioners indicated that they would like to consider proposed amendments as part of the package that will be submitted for implementation on January 1, 2013. Commissioner Biddle asked the staff to research the possibility of shifting the burden for attribution disclosure from the political parties to the candidates receiving the contributions.

With respect to a contribution limit for political parties, Commissioner Biddle asked if the Court provided any specific guidelines for the balancing test the City is required to conduct. Director Fulhorst denied that any specific guidelines were provided, but suggested that the City's outside attorneys might be able to provide the Commission with some guidance in this regard. She added that she would ask the outside attorneys to attend the April Commission meeting, and would confer with them in advance of this meeting concerning information the staff could compile that would help facilitate the balancing test. Commissioner O'Neill expressed his view that this issue is within the Commission's purview and should be considered. Commissioner Biddle suggested that information concerning the criteria for the balancing test will help the Commission determine if this issue can be accommodated within the 2012 timeframe.

With respect to major funding disclosures by committees primarily formed to support City candidates, Commissioner Howatt suggested that this issue be deferred until after 2012 so that the Commission can monitor pending state legislation as well as 2012 election activities. The Commissioners generally agreed that this issue should not be included in the package of amendments proposed for implementation on January 1, 2013.

With respect to the disclosure of campaign activities by lobbying firms and organization lobbyists, Commissioner Biddle expressed his view that proposed changes to require disclosure of contributions and fundraising activities associated with committees primarily formed to support or oppose City candidates should be relatively straightforward to draft and implement. The Commissioners expressed their concurrence that this issue should be considered with other 2012 proposed amendments.

Commissioner Howatt expressed his view that the billboard advertising issues should also be deferred until after 2012 so that the Commission can consider campaign advertisements commissioned during the 2012 election cycle and determine whether any amendments are necessary. The Commissioners expressed agreement with this approach.

With respect to the issues concerning accrued expenses on the third pre-election filing, Commissioner O'Neill suggested that the Commission should consider proposed amendments as part of its 2012 package because concerns have been voiced by the professional political treasurers. The Commissioners agreed that this issue should be considered, and indicated

that they look forward to receiving input from one or more treasurers at the next Commission meeting.

Director Fulhorst advised that staff will send an email notice to the Commission's "interested persons" list for campaign-related issues, and will invite public comment at the Commission's April meeting on the issues identified by staff as well as any other proposed amendments to the City's campaign laws.

Item 10: Adjourn to Closed Session.

Commission Chair Fuller adjourned the meeting to closed session at approximately 6:05 p.m. He stated the Commission would reconvene into open session following the conclusion of closed session in order to report any action taken during the closed session portion of the meeting.

Reconvene to Open Session

Commission Chair Fuller called the meeting back into open session at approximately 6:45 p.m.

Reporting Results of Closed Session Meeting of March 8, 2012

Ms. Cameron reported the results of the closed session meeting of March 8, 2012:

Item-1: Conference with Legal Counsel (8 potential matters)

Case No. 2011-78 - In Re: Alleged Acceptance of Contribution from Organization

Motion:	Initiate Investigation
Moved/Seconded:	Detsky-Weil/Howatt
Vote:	Carried Unanimously
Excused:	Wetzler

Case No. 2012-07- In Re: Alleged Failure to Timely Pay Vendor Debt

Motion:	Initiate Investigation
Moved/Seconded:	Detsky-Weil/Cochran
Vote:	Carried Unanimously
Excused:	Wetzler

Case No. 2012-08 - In Re: Alleged Failure to File Campaign Statements

Motion: Initiate Investigation
Moved/Seconded: O'Neill/Howatt
Vote: Carried Unanimously
Excused: Wetzler

Case No. 2012-09 - In Re: Alleged Failure to File Campaign Statements

Motion: Initiate Investigation
Moved/Seconded: O'Neill/Howatt
Vote: Carried Unanimously
Excused: Wetzler

Case Nos. 2012-10 - In Re: Alleged Failure to File Campaign Statements

Motion: Initiate Investigation
Moved/Seconded: O'Neill/Howatt
Vote: Carried Unanimously
Excused: Wetzler

Case Nos. 2012-12 through 2012-14 - In Re: Alleged Failure to Timely File Lobbyist Quarterly Disclosure Report

Motion: Initiate Investigation
Moved/Seconded: Howatt/O'Neill
Vote: Carried Unanimously
Excused: Wetzler

Item-2: Conference with Legal Counsel (7 potential matters)

Case No. 2011-76 - In Re: Timothy Golba - Alleged Failure to Disclose Economic Interests

Motion: Approve Stipulation
Moved/Seconded: Detsky-Weil/Biddle
Vote: Carried Unanimously
Excused: Wetzler

Case No. 2012-01 - In Re: Norton, Moore & Adams, LLP - Alleged Failure to Timely File Lobbyist Quarterly Disclosure Report

Motion: Approve Stipulation
Moved/Seconded: Howatt/O'Neill
Vote: Carried Unanimously
Excused: Wetzler

Case No. 2012-02 - In Re: Alleged Failure to Timely File Lobbyist Quarterly Disclosure Report

No reportable action

Case No. 2012-03 - In Re: Downtown San Diego Partnership - Alleged Failure to Timely File Lobbyist Quarterly Disclosure Report

Motion:	Approve Stipulation
Moved/Seconded:	O'Neill/Howatt
Vote:	Carried Unanimously
Excused:	Wetzler

Case No. 2012-04 – In Re: Alleged Failure to Timely File Lobbyist Quarterly Disclosure Report

Motion:	Dismiss
Moved/Seconded:	Detsky-Weil/O'Neill
Vote:	Carried Unanimously
Abstained:	Howatt
Excused:	Wetzler

Case No. 2012-05 - In Re: Associated General Contractors - Alleged Failure to Timely Amend Registration Form

Motion:	Approve Stipulation
Moved/Seconded:	Detsky-Weil/O'Neill
Vote:	Carried Unanimously
Excused:	Wetzler

Case No. 2012-06 - Alleged Solicitation of Contributions from City Employees

Motion:	Dismiss
Moved/Seconded:	O'Neill/Biddle
Vote:	Carried Unanimously
Excused:	Wetzler

Item-3: Conference with Legal Counsel (1 potential matter)

NOTE: Outside Counsel Lisa Foster replaced Christina Cameron as the Commission's legal counsel for Case No. 2008-79

Case No. 2008-79 - In Re: Dante Dayacap - Alleged Misuse of City Position

No reportable action

Item-4: Conference with Legal Counsel (1 potential matter)

NOTE: Outside Counsel Lisa Foster replaced Christina Cameron as the Commission's legal counsel for Case No. 2010-42

Case No. 2010-42 - In Re: B.D. Howard - Alleged Failure to File Campaign Statements, Failure to Disclose Campaign Expenditures, Failure to Maintain Records, and Acceptance of Contributions from Non-Individuals

No reportable action

Adjournment

The meeting adjourned at approximately 6:50 p.m.

Clyde Fuller, Commission Chair
Ethics Commission

Stacey Fulhorst, Executive Director
Ethics Commission

THIS INFORMATION WILL BE MADE AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST.